

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE JOINT APPLICATION OF THE CITY OF )  
VANCEBURG, KENTUCKY, A FOURTH CLASS CITY )  
OF LEWIS COUNTY, KENTUCKY, THE UTILITIES )  
COMMISSION OF THE CITY OF VANCEBURG, )  
KENTUCKY, AND BLACK OAK WATER ASSOCIATION, )  
INC., BLACK OAK, LEWIS COUNTY, KENTUCKY, )  
CREATED AND EXISTING UNDER CHAPTER 273 OF )  
THE KENTUCKY REVISED STATUTES, FOR )  
APPROVAL OF A "CONTRACT OF SALE AND PUR- )  
CHASE" PROVIDING FOR THE PURCHASE BY SAID )  
CITY FROM SAID WATER ASSOCIATION OF THE )  
EXISTING WATERWORKS DISTRIBUTION SYSTEM )  
OF THE ASSOCIATION, SUBJECT TO AN EXISTING )  
MORTGAGE IN FAVOR OF FMHA )

CASE NO.  
89-229

O R D E R

On August 14, 1989, the City of Vanceburg ("City"), the Utilities Commission of the City of Vanceburg ("Utilities Commission"), and Black Oak Water Association, Inc. ("Black Oak") filed a joint application requesting approval of the purchase by the City and the Utilities Commission of the existing waterworks distribution system of Black Oak. This Order grants the approval requested.

On November 10, 1987, the City, the Utilities Commission, and Black Oak entered into a Contract of Sale whereby, subject to the approval of the Public Service Commission, the City and the Utilities Commission agreed to acquire the entire water distribution system of Black Oak. The consideration for the

transfer of all assets to the City and the Utilities Commission is payment to Black Oak of \$10 and the assumption by the City and the Utilities Commission of all debts, obligations, and liabilities of Black Oak. Specifically, the City and the Utilities Commission agree to assume the indebtedness on a note to the U.S. Department of Agriculture, Farmers Home Administration in the amount of approximately \$16,965.41.

The Commission finds that the City and the Utilities Commission have the financial, technical, and managerial abilities to provide reasonable service to the customers of Black Oak, and that the proposed transfer of Black Oak's water system to the City and the Utilities Commission is consistent with the requirements of KRS 278.020(4)(5) and should be approved.

IT IS THEREFORE ORDERED that the proposed transfer be and it hereby is approved.

Done at Frankfort, Kentucky, this 21st day of September, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director